

Message Text

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46

ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 COME-00 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /067 W

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P 111737Z JAN 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 4946

UNCLAS BUENOS AIRES 0270

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: RIO GRANDE PUMPED STORAGE HYDROELECTRIC PROJECT

REF BA 9000

1. ALLIS CHALMERS, ONLY US FIRM WHICH BID ON RIO GRANDE HYDROELECTRIC PROJECT, WITH AID OF EXIM PC, INFORMS EMBASSY THEY FEEL THEY ARE IN FAVORABLE POSITION TO WIN AWARD.

2. THOUGH ONE OF COMPETITORS' BIDS IS NOMINALLY LESS COSTLY THAN THEIRS, IT APPEARS COMPETITOR'S ESTIMATE IS INCOMPLETE AND, IF COMPLETED, WOULD BE MORE EXPENSIVE THAN ALLIS CHALMERS (AC) OFFER. ADDITIONALLY, WE ARE INFORMED BY ALLIS REPS THAT ALL THREE BIDS IN COMPETITION WITH THEIRS OFFER SAME TURBINES (ESCHER WYSS - GIE) LEADING REPS TO CONCLUDE THERE IS COLLUSION AMONGST COMPETITION AND THEY HAVE ONE NOT THREE COMPETITORS. REPS HAVE POINTED OUT ALL THESE FACTORS IN CONVERSATIONS WITH AGUA Y ENERGIA ELECTRICA OFFICIALS. THESE CONVERSATIONS HAVE ALSO CONVINCED THEM THAT A YEE IS DEFINITELY WILLING TO CONSIDER THEIR OFFER DESPITE THEIR EARLIER APPREHENSIONS ABOUT EXIM FINANCING.

3. OFFICIALS OF COMMITTEE EVALUATING BIDS HAVE RAISED ONLY TWO PROBLEMS WITH ALLIS CHALMERS OFFER. ONE, IS THE TENTATIVE NATURE OF EXIM'S FINANCING OFFER (BECAUSE OF STANDARD CONDITIONAL UNCLASSIFIED

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LANGUAGE IN PENULTIMATE PARAGRAPH OF PC); ON THIS SCORE AC

FEELS THEY HAVE SATISFIED COMMITTEE, THE SECOND IS DURATION OF GRACE PERIOD MENTIONED IN REFTEL. AC REPS HAVE ASKED EMBASSY TO DETERMINE FROM EXIM WHETHER GRACE PERIOD WILL BE EXTENDED PER THEIR EARLIER REQUEST. THEY FEEL THIS IS NOW ONLY OBSTACLE TO WINNING AWARD. ADDITIONALLY, THEY NOTE AWARD IS LIKELY TO BE MADE PRIOR TO FIRST WEEK IN FEBRUARY BECAUSE OF DESIRE OF A YEE ADMINISTRATOR PETRONI TO SPEED PROGRESS OF PROJECT.

4. EMBASSY WOULD APPRECIATE HEARING FROM EXIM ON WHAT, IF ANY, ACTION CAN BE TAKEN TO AMEND PC AND LIKELY TIMING OF SUCH ACTION, IN ORDER TO BE ABLE TO ADVISE LOCAL AC REPS.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, HYDROELECTRIC POWER PLANTS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUENOS00270
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740148/aaaabtni.tel
Line Count: 73
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: BA 9000
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2002 by davisew>; APPROVED <19-Nov-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RIO GRANDE PUMPED STORAGE HYDROELECTRIC PROJECT
TAGS: EFIN, ENRG, BEXP, AR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005